

PASCOAG UTILITY DISTRICT - BOARD OF UTILITY COMMISSIONERS

MEETING MINUTES

The regular meeting of the Pascoag Utility District Board of Utility Commissioners will be held on Monday, February 23, 2009 at 6:00 pm in the District office, Pascoag 253 Pascoag Main Street, Pascoag, RI.

Members Present: Chairman Albert Palmisciano, Vice-Chair Ann Polacek, Commissioners William Mageau, Thomas Partridge, and Adrien Trudeau (Brian Choiniere arrived at 6:15 pm)

Members Absent: Dennis Whitman

Also in Attendance: Theodore Garille, General Manager; William Bernstein, General Counsel

Chairman Palmisciano opened the meeting at 6:05 pm.

1. Pledge of Allegiance

2. Public Comment

There was no public comment at this time.

3. Committee Comments

• By-law Subcommittee

Mr. Palmisciano stated that the By-Law Subcommittee met and is reviewing the bylaws. It has been a lengthy process but they hope to

have some recommendations for changes to the bylaws for the Board soon.

4. Good and Welfare of the District

A. Docket No. 1725

Ms. Allaire presented information on the disconnections for the month of January. During the month of January there were no disconnections. The average customer balance was in excess of \$200 for customers who were in arrears. 260 delinquent notices were sent out in January. There were 15 written (regular customers), 98 verbal (an agreement to pay in less than 2 weeks), and 15 written (protected status) agreements, for a total of 128 agreements in place at the time. Of the 128 agreements that were made, 20 were broken. Roughly 16% of the agreements were broken in January. Mr. Partridge made a motion to receive and file, seconded by Mr. Trudeau and Mr. Mageau. The vote in favor was unanimous.

B. Low Income Program-Pending Legislation (Presented by Dr. John Colby-George Wiley Center)

Mr. Garille introduced Dr. John Colby from the George Wiley Center. Mr. Colby spoke about the George Wiley Center. The George Wiley Center is an advocate for disadvantaged families. They are trying to help people that are struggling to pay their utility bills. In the past there was a program called Percentage of Income Payment Plan-people would pay a percentage of their income to keep their electric and gas on. Most people in RI remained current under this program. Since then, as utility costs have gone up and people are finding it more and more difficult to pay their utility bill they are falling

behind

The legislation would put PIPP (percentage of income payment plan) back in place but the cost of the program would be underwritten by rate payers. Gas customers would pay no more than 8% of their income for their gas bill. Rate payers would pay \$1.40 per month. Commercial enterprises would pay \$13.00 in addition per month, with very large commercial customers paying \$250.00. There will be a bill number for this shortly, as it is introduced into the legislature.

C. Well #5 Pumping History

Mr. Guertin presented information on the pumping history for Well #5.

The total gallons for the year were 30,919,500 gallons. Mr. Palmisciano stated that it was a job well done except for the fact that Harrisville had drastically increased its whole sale rate which offset all of the savings that were realized from this well.

Motion to receive and file made by Mr. Partridge, seconded by Mr. Trudeau. The vote in favor was unanimous.

D. Backflow Prevention

Mr. Guertin and Mr. Lima attended a 4 day program on back flow prevention and also underwent a 4 hour test for certification. Mr. Guertin felt that this program was very important. He included in his presentation areas in Town which could present problems with cross contamination. The program that Mr. Guertin and Mr. Lima went to would certify them as testers of back flow prevention systems. Right now most services only have one check valve coming into houses, according to this program there should be dual check valves entering the residences.

E. Thank You

Mr. Trudeau spoke about Diana Lorencio, age 13 who came in second for her school at the science fair. She worked with Mike Lima on some aspects of her science fair project.

Motion to receive and file made by Mr. Partridge, seconded by Mr. Mageau. The vote in favor was unanimous.

F. Blue Cross

Mr. Garille stated that Blue Cross coverage will take effect on March 1, 2009. Mr. Borah will be here on Thursday, February 26, 2009 to explain the new health insurance plan for all who wish to attend.

G. Capacitor Controls

Mr. Guertin invited the line crew to the meeting in recognition of their hard work on the capacitor controllers. The capacitor controllers monitor the voltage on the lines. Motion to receive and file made by Mr. Partridge, seconded by Mr. Mageau. The vote in favor was unanimous.

H. Automatic Reclosers

The linecrew helped Mr. Guertin set up the protection profiles that were uploaded into the field reclosers. The crew strategically locates the reclosers on the most rural and wooded sections of the circuit. Motion to receive and file made by Mr. Partridge, seconded by Mr. Trudeau. The vote in favor was unanimous.

5. Approval of Minutes

- **Benefits Subcommittee- January 23, 2009**
- **Facilities Subcommittee- January 26, 2009**
- **Regular BUC Meeting- January 26, 2009**

Motion to approve the minutes and file made by Mr.Partridge , seconded by Mr. Mageau. The vote in favor was unanimous.

6. Unfinished Business

08-24 Action Item: Identity Theft Policy

Ms. Allaire presented information on the Identity Theft Policy. Each Commissioner has a copy of the reworked Identity Theft Policy. This is mandatory for all utilities to have a program in place by May 1st. If the Board approves this, PUD will have a month of training for its' employees and then make the policy effective as of April 1st. Mr. Mageau made a motion to approve the policy as submitted, seconded Mr. Trudeau and Mr. Choiniere. The vote in favor was unanimous.

08-02 NYPA Loop Flow Issue

Mr. Garille spoke about the NYPA Loop Flow Issue. The costs are back down to 2 ½ cents from where it was at 8 cents. Several entities in upstate New York and transmission owners have filed an intervention at FERC to tell us who did it and to force FERC to tell us how much excessive profit was made etc. etc. Unfortunately FERC has taken the position that it's confidential and the investigation does not have transparency and they will decide when to tell the entities what happened.

Mr. Guertin took a trip to Albany, New York and met with NYISO as well as some out of state allatees. There has been an established

NYISO point of contact for the out of state allatees which they had never had before. They have also put the out of state allatees on their mailing list and they will be notified if any disturbances occur prior to the billing coming out.

Motion to receive and file made by Mr. Partridge, seconded by Mr. Choiniere. The vote in favor was unanimous.

08-28 NYPA Margin Gross Up

Mr. Garille spoke about the NYPA Margin Gross Up. Pascoag Utility District buys capacity in New York at a very inexpensive hydro rate which takes care of the capacity issue in New England. ISO New England came to PUD and said that their software program could not handle this transaction so they proposed giving PUD a 15% credit on the power bills. Now there is another revision in their software that doesn't allow them to do the 15% credit so now they want to do away with the credit entirely. That would result in the ratepayers of Pascoag paying twice on this power, once in New York and once again in New England. Pascoag Utility District sees this as incredibly unfair to the ratepayers in Pascoag and they have made their case at FERC. Mr. Garille wanted to inform the Board that PUD has engaged the council in Washington D.C. and Scott Strauss is in the process of preparing the FERC complaint. PUD does plan on fighting this.

Motion to receive and file made by Mr. Partridge, seconded by Mr. Mageau. The vote in favor was unanimous.

7. New Business

09-05 Resolution: Online Payments

I, Thomas Partridge do hereby certify that I am elected and acting Secretary and the keeper of the records and corporate seal of the corporation named on this Merchant Application and Agreement (the “Corporation”), organized and existing under the laws of the state of Rhode Island and that the following is a true and correct copy of certain resolutions duly adopted at a meeting of the Board of Directors thereof, convened and held in accordance with the law and by-laws of said Corporations on the 23rd day of February, 2009.

BE IT RESOLVED, that any one of the following officers of this Corporation be and is hereby authorized, Theodore G. Garille and Albert Palmisciano,

To execute and deliver on behalf of the corporation a Credit Card Merchant Services Processing Application and Agreement between the Corporation and Nationwide Payment Solutions (“Processor”) with respect to the Corporation’s participation in the Visa-MC and other payment systems, and any supplemental agreements amending or revising such Agreement from time to time, herein collectively called the “Agreement”, and any such Agreement heretofore executed and delivered on behalf of corporation is hereby ratified and approved; and

To present, execute and deliver sales drafts in accordance with the terms of the Agreement; and

To pay all fees and amounts imposed upon this Corporation under the agreement, and to perform all accts and execute and deliver all such other instruments or documents which Processor may deem necessary to carry out the purposes and intent of the Agreement and these resolutions; and carry out the purposes and intent of the Agreement and these resolutions; and

BE IT FURTHER RESOLVED, that the Secretary or any other officer of this Corporation be and herby are authorized to certify to Processor a copy of these resolutions and the names and signatures of this corporation's officers or employees hereby authorized to act in the premises, and Processor is hereby authorized to rely upon such certificate until formally advised by a like certificate of any changes therein, and upon any such additional certificates.

IN WITNESS WHEREOF, I have subscribed my name as secretary and have caused the corporate seal of said Corporation to be affixed this.

Mr. Partridge made a motion to approve the resolution, seconded by Mr. Trudeau. The vote in favor was unanimous.

09-06 Fulltime Positions

Mr. Palmiscino wanted to address this issue as Chairman of the Finance Subcommittee. It came to his attention that their was an inquiry into making the janitor's part time position into a full time position. This would be in Mr. Palmisciano's estimation, a new position. There is no money in the budget for this position. Mr.

Palmisciano would like to defer this to the Finance Subcommittee and if they wanted to make a recommendation to the Board for this position it could be possibly handled in the 2010 budget. Mr. Palmisciano also wanted a creation of a job description as to the full extent of the job duties associated with this position. Mr. Palmisciano felt that this was not a good time to expend funds that PUD shouldn't be expending with the economy being as bad as what it is.

Ms. Polacek felt that if it wasn't planned for in the 2009 budget PUD should hold off and have the Finance Subcommittee look at it in the 2010 budget. She also felt that the position should be posted. She also wanted to see a very thorough job description. Mr. Mageau said that he agreed with Ann. Mr. Choiniere agreed that if this position is not in the budget at this time it shouldn't be allowed.

Mr. Palmisciano asked if anyone from the Board would like to make a motion to defer the recommendation of the position to the Finance Subcommittee and the position would need to be posted with a thorough job description. Mr. Choiniere made a motion to defer the recommendation of the full time janitorial position to the Finance Subcommittee and that the position would need to have a job description and be posted, seconded by Mr. Mageau. The vote in favor was unanimous.

Mr. Garille spoke about the previously approved position for Tree Foreman/Arborist. The job description and wage/salary scale has been completed. The advertisement will be in the Providence Journal on March 1st announcing this vacancy.

09-07 MMWEC All Requirements

Mr. Garille spoke about the MMWEC All Requirements. MMWEC put out an ultimatum to Pascoag and other non-members that they would have to take a number of services that MMWEC provided even though we would not really need them. We were paying them \$500 per month to reconcile the ISO New England charges on a daily/monthly basis. Energy New England will now be providing us with this service. In the Board's packet was a letter to MMWEC letting them know that we would no longer in need of this service. A motion to receive and file was made by Mr. Partridge, seconded by Mr. Mageau. The vote in favor was unanimous.

8. Financial Reports

A. Electric Department-December 2008

B. Water Department-December 2008

Motion to receive and file the Electric Department Financial Reports was made by Mr. Mageau, seconded by Mr. Trudeau. The vote in favor was unanimous.

Motion to receive and file the Water Department Financial Reports was made by Mr. Choiniere, seconded by Mr. Trudeau. The vote in favor was unanimous.

9. Adjournment

Motion to adjourn was made by Mr. Partridge, seconded by Mr. Mageau. The vote in favor was unanimous. The meeting was adjourned at 7:30 pm.

Brian Choiniere, Secretary
Board of Utility Commissioners

Desarae Downs, Recording Secretary